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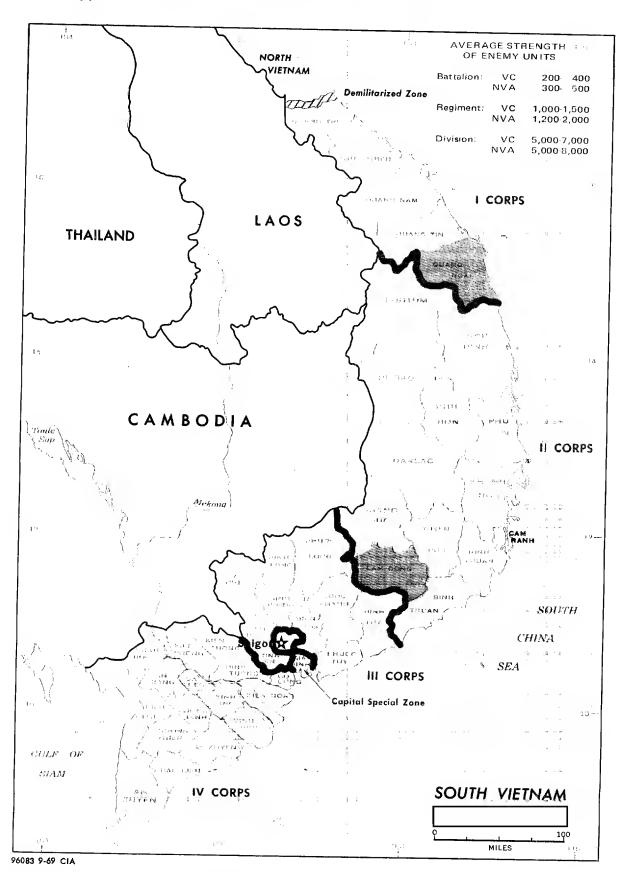
USSR - Communist China: The meeting of Kosygin and Chou En-lai appears to have been at Soviet in-itiative.

It seems likely that Kosygin told the Chinese that the situation was becoming more and more dangerous and that measures to halt the deterioration were essential. Moscow had other good reasons for wanting a meeting. At its present level, the dispute is hurting the Soviets on several fronts. They believe that the Chinese are trying to "bleed them white" on the border and that Peking may be prepared to continue the skirmishes indefinitely. In addition, the Soviets find themselves at a political disadvantage, since both their enemies and their allies believe them vulnerable because of preoccupation with the Chinese.

Moscow has refrained from almost all anti-Chinese propaganda since the meeting. The Soviets may be testing Peking's intentions with this move, as well as buttressing their claim to be the aggrieved party by demonstrating a willingness to tone down the polemics.

There is nothing in the first scraps of evidence to suggest that the Chinese will respond to Kosygin's approach in the desired fashion. It is still too early to tell whether they will moderate their behavior on the border or let up on their propaganda. At this point, however, the outlook is for no improvement in Sino-Soviet relations in the wake of the premiers' meeting.

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South Vietnam: Military activity was generally light throughout South Vietnam yesterday.

Communist forces, however, have once again demonstrated the effectiveness of their sapper tactics. A 12-man team successfully assaulted an allied base camp in Lam Dong Province on 11 September and inflicted heavy casualties on the defenders. In Quang Ngai Province, two refugee centers were also successfully struck by small enemy sapper teams.

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With the prolonged period of uncertainty pending the selection of a new cabinet over, the political opposition to the Saigon government is showing signs of renewed activity. Five opposition groups, including Senator Tran Van Don's faction, are considering forming a joint political committee to unify the opposition to the Thieu government. Given the past performance by these political groups, however, it is unlikely they will succeed in resolving their various differences and come up with an effective coalition.

Communist China: Peking's "war preparations" drive is being hampered by widespread apathy.

Broadcasts from several provincial centers have criticized certain individuals and also local army units for their failure to understand the Soviet threat and have said that these elements must be re-educated. Other broadcasts have urged peasants not to become benumbed by feelings of peace or slacken vigilance in making preparations for war.

The tenor of regime propaganda since the latest clash with the Soviets in August suggests that Peking believes it prudent to reinforce contingency planning in case some expanded conflict does occur. The regime's efforts may be running into difficulty, however, in part because national propaganda has been exploiting the war preparations theme for some time to promote various unpopular domestic programs.

It is clear from the recent provincial broadcasts that large segments of the population, including some army elements, are skeptical of the regime's persistent exhortations and are reluctant to make further sacrifices.

UK: Britain's balance of payments registered a sizable surplus in the second quarter of 1969.

A surplus of \$180 million in the current amount resulted from the combination of a strong performance in such transactions as interest and investment earnings abroad and a reduced trade deficit. An unusual surplus of \$60 million in the capital account came mainly from higher private investment by foreigners in Britain. Another factor in the combined surplus on current and capital accounts was a change in reporting procedure that adjusted exports upward \$84 million.

The achievement of the projected \$720 million surplus for the year ending 31 March 1970 remains uncertain. Basic to the achievement of such a surplus is an improvement in the current account.

Reported Guyana/Surinam Clash Draws Venezuelan Reaction



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Guyana-Surinam: The publicity about an alleged attack by Guyana on a Surinam outpost has raised tensions.

Despite categorical Guyanese denials, the Surinamers maintain that their outpost in the disputed border area was attacked this week by heavily armed Guyanese. They say the action "must cause difficulties" in getting general boundary talks started.

The Surinam press is suggesting that the government join with Venezuela, which has claims on Guyana's western border, to stop Guyanese "aggression." Earlier the Venezuelans were reported to have made a similar suggestion to the Surinamers. The Surinam news media in general are calling for more active Dutch support, and the commandant of the Dutch forces in Surinam has now stated that he will order his troops to fire upon the Guyanese if they violate land or air space in undisputed Surinam territory.

The Venezuelan Foreign Ministry has warned that the continued "aggressive movements of Guyana, along with the racist policies of Prime Minister Burnham, may seriously disturb the peace in Latin America." It is likely that the Venezuelans will continue their anti-Guyana propaganda in the forthcoming meeting of the UN General Assembly.

The Guyanese have suggested that Venezuela, possibly in collusion with Surinam, invented the attack report for just this reason. Communications in the remote border area are poor, however. It is possible that an "attack" was carried out by a roving Guyanese patrol that came upon the Surinam outpost unexpectedly. The boundary issue is touchy and small incidents are easily blown out of proportion. It is not likely that the tensions will dissipate until border talks get under way. The Venezuelans, in the interest of pressing their own claim, are anxious to keep pressure on the borders and to erode Guyana's image as a reasonable, peace-loving nation. They probably hope to benefit from the continuation of present tensions.

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NATO: A recommendation to the North Atlantic Council that it establish a NATO committee on the challenges of modern society (CCMS) has emerged from meetings held this week in Brussels.

The proposal, which springs from a suggestion made by President Nixon last April, is intended to widen the role of the alliance from its present basic responsibilities for military security and political consultation. The CCMS will stimulate research on common environmental problems by member nations and by appropriate international bodies.

The Brussels conference agreed that individual countries would take the lead in studying problems for which they have already developed some expertise. They would then make their findings available to all interested countries irrespective of membership in NATO. Tentative offers to do pilot studies on air pollution, road safety, disaster relief, oceanography, social security, noise abatement, and individual and group motivation have already been made by seven of the allies.

The US Mission believes that the draft charter for the proposed committee will permit the organization to function with reasonable freedom and effectiveness. The mission estimates that the council will approve this draft at its meeting on 5 November and looks forward to the first working session of the CCMS on 8 December.

Despite the cooperation and positive attitudes in evidence at the Brussel meetings, it is clear that some of the allies still have reservations about the proposed new activity for NATO. There is concern that the alliance may duplicate the work already under way in other international organizations, and few countries, if any, want the environmental program to engender an increase in the NATO budget and staff. The French and the Germans, in particular, are also worried lest the CCMS become involved in politically sensitive problems, such as the control of student dissidence.

NOTE

Sudan: There are rumors in Khartoum that some Communists who allegedly have grown "too strong" in the government will be removed. Cairo, as well as the old-line politicians, reportedly has warned the regime of the danger in the spread of Communist influence. The government installed following the military coup of last May is trying to gain the backing of the old-line politicians. Although it may win favor by firing some Communists, a relaxation of the restrictions on political activity would probably still be necessary before the government could gain much support from the antiregime forces.

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